

IC 5-28-19

Chapter 19. Microenterprise Partnership Program

IC 5-28-19-1**"Microenterprise"**

Sec. 1. As used in this chapter, "microenterprise" means a business with fewer than five (5) employees. The term includes startup, home based, and self-employed businesses.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-2**"Microloan"**

Sec. 2. As used in this chapter, "microloan" means a business loan of not more than twenty-five thousand dollars (\$25,000).

As added by P.L.4-2005, SEC.34.

IC 5-28-19-3**"Microloan delivery organization"**

Sec. 3. As used in this chapter, "microloan delivery organization" means a community based or nonprofit program that:

- (1) has developed a viable plan for providing training, access to financing, and technical assistance to microenterprises; and
- (2) meets the criteria and qualifications set forth in this chapter.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-4**"Operating costs"**

Sec. 4. As used in this chapter, "operating costs" refers to the costs associated with administering a loan or a loan guaranty, administering a revolving loan program, or providing for business training and technical assistance to a microloan recipient.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-5**"Program"**

Sec. 5. As used in this chapter, "program" refers to the microenterprise partnership program established under section 6 of this chapter.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-6**Establishment of program; grant limit**

Sec. 6. (a) The corporation shall establish the microenterprise partnership program to provide grants to microloan delivery organizations.

(b) A grant provided under subsection (a) may not exceed twenty-five thousand dollars (\$25,000).

(c) A microloan delivery organization receiving a grant under this section must use the grant for the purposes set forth in this chapter.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-7

Criteria for grants

Sec. 7. To establish the criteria for making a grant to a microloan delivery organization, the corporation shall consider the following:

- (1) The microloan delivery organization's plan for providing business development services and microloans to microenterprises.
- (2) The scope of services provided by the microloan delivery organization.
- (3) The microloan delivery organization's plan for coordinating the services and loans provided under this chapter with those provided by commercial lending institutions.
- (4) The geographic representation of all regions of the state, including both urban and rural communities and neighborhoods.
- (5) The microloan delivery organization's emphasis on supporting female and minority entrepreneurs.
- (6) The ability of the microloan delivery organization to provide business training and technical assistance to microenterprises.
- (7) The ability of the microloan delivery organization to monitor and provide financial oversight of recipients of microloans.
- (8) The sources and sufficiency of the microloan delivery organization's operating funds.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-8

Permitted uses of grants

Sec. 8. A grant received by a microloan delivery organization may be used for the following purposes:

- (1) To satisfy matching fund requirements for federal or private grants.
- (2) To establish a revolving loan fund from which the microloan delivery organization may make loans to microenterprises.
- (3) To establish a guaranty fund from which the microloan delivery organization may guarantee loans made by commercial lending institutions to microenterprises.
- (4) To pay the operating costs of the microloan delivery organization. However, not more than ten percent (10%) of a grant may be used for this purpose.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-9

Matching of appropriations

Sec. 9. Money appropriated to the program must be matched by at least an equal amount of money derived from any of the following nonstate sources:

- (1) Private foundations.
- (2) Federal sources.
- (3) Local government sources.
- (4) Quasi-governmental entities.

(5) Commercial lending institutions.

(6) Any other source whose funds do not include money appropriated by the general assembly.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-10

Disbursal of microloan money

Sec. 10. At least fifty percent (50%) of the microloan money disbursed by a microloan delivery organization must be disbursed in microloans that do not exceed ten thousand dollars (\$10,000).

As added by P.L.4-2005, SEC.34.

IC 5-28-19-11

Standards, procedures, and guidelines

Sec. 11. The corporation may prescribe standards, procedures, and other guidelines to implement this chapter.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-12

Use of microenterprise partnership program fund and other funds

Sec. 12. The corporation may use money in the microenterprise partnership program fund established by IC 5-28-18-7 or any other money available to the council to carry out this chapter.

As added by P.L.4-2005, SEC.34.

IC 5-28-19-13

Reporting requirements

Sec. 13. Before August 1 of each year, the corporation shall submit to the budget committee a supplemental report on a longitudinal study:

(1) describing the economic development outcomes resulting from microloans made under this chapter; and

(2) evaluating the effectiveness of the microloan delivery organizations and the microloans made under this chapter in:

(A) expanding employment and self-employment opportunities in Indiana; and

(B) increasing the incomes of persons employed by microenterprises.

As added by P.L.4-2005, SEC.34.